

# Budget Request Brief for the 2004-2006 Biennium

*(Submit one form for each request to the Secretary)*

1. Agency name: Virginia Information Technologies Agency 2. Agency code: 136

3. Title of proposal: Statewide Acquisition Services and Governor/Cabinet Support

4. Priority of this proposal: 4 *Insert a number from 1 to 10, with 1 being highest priority and 10 being lowest*

## 5. Description of proposal

This is a request for General Funds in support of statewide acquisition services and information technology support services for the Governor's Office and Cabinet Secretaries.

Currently, statewide acquisition functions and Governor's Office and Cabinet Secretaries information technology support are provided by VITA and funded by a 2% vendor surcharge on sales of technology goods and services to the Commonwealth. The vendor community has been opposed to the 2% surcharge, and it will be eliminated if these costs are funded with general funds. Additionally, the cost of this "general government" service is deemed not an allowable charge to federal funds. Costs above those covered by the 2% vendor surcharge must be allocated (i.e. charged) to all of VITA's customers. The charge to them is recognized as an unallowable expense for federal reimbursement purposes. Since many of VITA's customers pay the VITA bills in whole or in part with Federal funds customers must use nonfederal funds to pay this portion of the VITA bills.

## 6. Justification/Rationale/Consequences of not funding

VITA has funded the acquisition function and Governor's Office/Cabinet Secretaries information technology support in the most recent past utilizing funds received from its 2% vendor sales charge. Use of General Funds would allow VITA to remove the 2% vendor charge and not charge customers for these federally unallowable costs. If unfunded, VITA will continue the surcharge.

## 7. Resource Requirements

Fiscal year	Dollars		Positions	
	GF	NGF	GF	NGF
FY 2005	\$1,545,000		0	
FY 2006	\$1,545,000		0	

Approved for detailed submission:

\_\_\_\_\_  
*Signature of Secretary*

\_\_\_\_\_  
*Date*